

Prospectus for Campground and
Related Granger-Thye Concessions

Mt Hood National Forest
U.S. DEPARTMENT OF AGRICULTURE
Forest Service



Olallie Scenic Area
January, 2012



Table of Contents

I. Business Opportunity

- A. Introduction
- B. Area Description
- C. Description of Developed Recreation Sites and Facilities
- D. Government-Furnished Property
- E. Government-Furnished Supplies
- F. Utilities and Waste Management

II. Forest Service Concession Program and Policies

- A. National Recreation Reservation Service (NRRS)
- B. Pass Discounts
- C. Camp Stamps
- D. Site Closures
- E. Reserved Administrative Use
- F. Applicable Forest Orders
- G. Fee Tickets and Compilation of Use and Revenue Data
- H. Customer Service Comment Cards
- I. Performance Evaluations
- J. Accessibility
- K. Camping Unit Capacity
- L. Stay Limit
- M. Fees Charged to the Public
- N. Law Enforcement
- O. Other Pertinent Information

III. Special Use Permit

- A. Permit Term
- B. Permit Holder Responsibilities
- C. Granger-Thye Fee Offset Agreement
- D. Insurance
- E. Bonding

IV. Application

- A. Instructions for Submitting Applications
- B. General Terms, Qualifications, and Reservations
- C. Application Package Requirements
- D. Evaluation of Applications

V. Post-Selection Requirements

Appendices

- Appendix 1: Vicinity and Area Maps
- Appendix 2: Maps of Developed Recreation Sites

- Appendix 3: Inventory of Government-Furnished Property
- Appendix 4: Applicable Forest Orders
- Appendix 5: Sample Use Report
- Appendix 6: Sample Customer Service Comment Card
- Appendix 7: Standard Performance Evaluation Form
- Appendix 8: FSM 2342.1, Exhibit 01, Law Enforcement at Concession Campgrounds
- Appendix 9: Sample Annual Operating Plan
- Appendix 10: FS-2700-4h, Special-Use Permit for Campground and Related
- Appendix 11 Granger-Thye Concessions, and FS-2700-4h, Appendix-F, Operation of Federally Owned Drinking Water Systems
- Appendix 12: FS-2700-4h, Appendix B, Granger-Thye Fee Offset Agreement
- Appendix 13: Maintenance & Reconditioning
- Appendix 14: Indirect Cost Reimbursement Letter
- Appendix 15: FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification
- Appendix 16: Sample Collection Agreement for Granger-Thye Fee Offset Work
- Appendix 17: Sample Business Plan
- Appendix 18: FS-6500-24, Financial Statement
- Appendix 19: FS-6500-25, Request for Verification
- Appendix 20: National Quality Standards for Recreation Site Management
- Appendix 21: Historic Revenue, Use & Rates at Olallie

VI. Optional Appendices

- (all inserted in section V.)

VII. Pertinent Materials (Available Upon Request)

“Cleaning Recreation Sites” (USDA-Forest Service)

“In Depth Design and Maintenance Manual for Vault Toilets” (USDA-Forest Service)

I. Business Opportunity

A. Introduction

This prospectus is being issued to solicit applications for a concession campground special use permit. A permit or permits to provide high-quality public service in the operation and maintenance of Government-owned recreation facilities located on the Clackamas River Ranger District, Mt Hood National Forest, will be issued. The permit or permits will include the following developed sites:

FACILITY	LEGAL DESCRIPTION	ACRES	COUNTY
Olallie Meadow Campground	T.8S.,R.8E., Sec. 25	2.2	Marion
Olallie Meadow Cabin	T.8S.,R.8E., Sec. 25	.5	Marion
Lower Lake Campground	T.9S.,R.8E., Sec. 2	1.5	Marion
Olallie Lake Picnic Area	T.9S.,R.8E., Sec. 11	.7	Jefferson
Camp Ten Campground	T.9S.,R.8E., Sec. 11	1.2	Jefferson
Peninsula Campground	T.9S.,R.8E., Sec. 12	5.3	Jefferson
Horseshoe Lake Campground	T.9S.,R.8E., Sec. 23	1.5	Jefferson
Guard Station Cabin	T.9S.,R.8E., Sec. 11	.5	Jefferson
Triangle Lake Equestrian	T.8S.,R.8E., Sec 25	4.0	Marion
Paul Dennis Campground	T.9S, R8E, Sec 11	3.0	Jefferson

The authorized officer for this business opportunity is Chris Worth, Forest Supervisor, Mt Hood National Forest, 16400 Champion Way, Sandy OR 97055.

The current permit for this concession expired on December 31, 2011. See Appendix 21 for historic use, rate and occupancy.

B. Area Description

The Olallie Scenic Area is on the crest of the Oregon Cascades, just north of Mt Jefferson. The average elevation of the Olallie Scenic Area is approximately 4800'. The forest is primarily Lodgepole Pine and Mountain Hemlock. The numerous lakes in the area are one of its outstanding features. The Pacific Crest National Scenic Trail traverses through area.

All the facilities are located in the 13,175 acre Olallie Scenic Area. The recreation development in the area is managed as semi-primitive. The Olallie Lake Resort is also in the area and is operated under a separate special use permit for resort use. The east boundary of the Olallie Scenic Area is the Confederated Tribes of Warm Springs Reservation.

The primary recreation season is mid-June to mid- September. Snow covers the ground much of the rest of the year.

The Olallie Scenic Area is approximately 2.5 hours from the city of Portland and Salem. From Portland, access is via Hwy 224 up the Clackamas River to FS road 46 to FS Road 4690 to FS Rd 4220. Approximately the last 4 miles to the first campground is native surface road. All the roads in the Olallie Scenic Area are native or gravel surface. Access can also be made from the south via Detroit to FS Rd 46 and follow the same directions as above.

C. Description of Developed Recreation Sites and Facilities

The following describes the facilities from north to south. Appendix 3 provides an inventory of the facilities.

Olallie Meadow Campground is a forested campground with 7 campsites. It overlooks Olallie Meadow.

Olallie Meadow Cabin is within the campground. The cabin is a rustic one story facility shown in photo to right. Its footprint is 16'x22'. It needs more work before it can be rented out. See Appendix 3 for details.



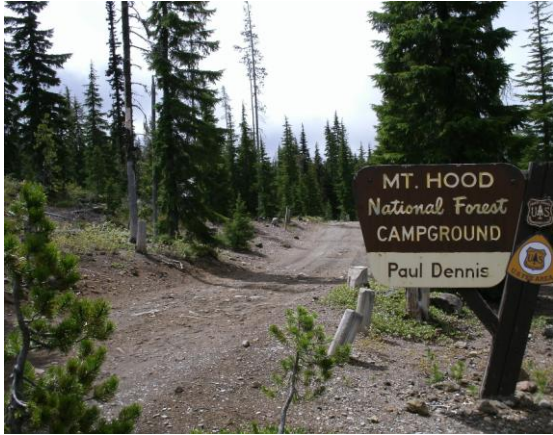
Triangle Lake Equestrian Campground has 8 campsites in a forested setting on Triangle Lake. Equestrians are drawn to the trail system in the Olallie Scenic Area.

Lower Lake is another small forested campground with 8 sites. While not on Lower Lake, a trail leads a short distance to the lake.

The Olallie Guard Station cabin is located adjacent to Olallie Lake and Olallie Lake Picnic Area. It is a 3 room cabin with a loft and is fully furnished. The cabin is approximately 18'x22'. While there is a kitchen, there is no running water. It was used as recently as 2008 as a staffed USFS guard station. The photo to the right is of the Guard Station.



Olallie Lake Picnic Area is located on Olallie Lake with views of 7200' Olallie Butte to the east. It has a primitive boat ramp, 5 picnic sites and an outhouse that is shared with the Guard Station.



Paul Dennis Campground is at the most northern tip of Olallie Lake and adjacent to Olallie Lake Resort. Views of Mt Jefferson to the south are outstanding features of this campground. Sixteen campsites are found at Paul Dennis.

The sign shown in this photo is at the entrance to Paul Dennis. All the recreation entrance signs like this in the Olallie Scenic Area have been removed and are being repainted this winter.

Camp Ten is also on Olallie Lake and affords views to Olallie Butte to the east. Ten campsites are at Camp Ten.

Peninsula Campground is the largest campground in the area with 37 sites including some walk in sites and a group site. As its name implies, it is on a peninsula on Olallie Lake. A primitive boat ramp and small amphitheater are also at the site.

Horseshoe Lake Campground is the most remote and most southerly campground in the area. Its ten sites are located adjacent to Horseshoe Lake.



There is no electric power at any of the sites. There are no water systems at any of the sites.

Photo to the left is of Mt Jefferson taken from the north end of Olallie Lake.

D. Government-Furnished Property

The Forest Service will provide certain property in conjunction with the concession campground special use permit. Details of this inventory are in Appendix 3 including description, the condition and quantity. The estimated replacement costs of the property is on a separate tab in Appendix 3.

E. Government-Furnished Supplies

The Forest Service will not furnish any supplies for day-to-day operation of the concession. Government-furnished supplies will be limited to those necessary for programmatic consistency, including:

1. Forms to report use and revenue (found in Appendix 5)
2. Title VI signs.

Publications necessary to maintain programmatic consistency are listed below, along with a URL address where they can be viewed and downloaded.

- “Cleaning Recreation Sites”
<http://www.fs.fed.us/t-d/pubs/pdf/95231206.pdf>
- In-Depth Design and Maintenance Manual for Vault Toilets
<http://www.fs.fed.us/t-d/pubs/pdfimage/91231601.pdf>
- Vault Toilet Pumping Contract Specifications and Guidelines for Preparing Contracts.”
<http://www.fs.fed.us/t-d/pubs/pdfimage/92231308.pdf>
- Recreation information on campgrounds and cabins can be viewed and downloaded from the Mt. Hood National Forest external Web on Recreation pages at:
<http://www.fs.usda.gov/activity/mthood/recreation/camping-cabins>

F. Utilities and Waste Management

Certain utilities and infrastructure exist for the developed recreation sites identified in this prospectus. The permit holder will be responsible for securing, managing, and paying for these utilities. No electric or water service is in place. Liquid and solid waste management are the only utilities to manage. Applicants should contact current service providers to obtain estimated costs for the utilities.

Garbage

The permit holder will be responsible for garbage removal at all sites.

Liquid and Solid Waste Disposal

The permit holder is responsible for pumping all vault toilets and septic systems at the developed recreation sites.

II. Forest Service Concession Programs and Policies

Government-owned concessions are authorized by special use permits issued under Section 7 of the Granger-Thye (GT) Act, 16 U.S.C. 580d, and implementing regulations at 36 CFR Part 251, Subpart B. In addition, there are certain Forest Service programs and policies that apply to campground concessions. All applications must be consistent with these requirements.

National Recreation Reservation Service (NRRS)

The Mt. Hood National Forest participates in the NRRS, which provides on-line reservations and nationwide, toll-free telephone reservations for single-family or group camping sites, rental cabins, and other recreational facilities. Visitors pay the camping fee at the time they make a reservation. Additional fees may be collected on the site if needed for e.g. extra vehicle fee. The permit holder may allow occupancy of any site in the NRRS that is unreserved and charge onsite for that use providing that it does not impact future reservations. The current NRRS contractor is ReserveAmerica, 40 South St., Ballston Spa, New York 12020. Contact information for the NRRS follows.

Jocelyn Biro
Forest Service Region 6 NRRS Coordinator
Telephone: 503-808-2411
Email: jbiro@fs.fed.us

John Cameron
Forest Service Contracting Officer's Technical Representative
Telephone: 850-523-8589
Email: jhcameron@fs.fed.us

ReserveAmerica, Inc.
2480 Meadowvale Boulevard, Suite 120
Mississauga, Ontario
Canada L5N 8M6
Inventory Help Desk: 877-345-6777
Customer Service: (888) 448-1474
Facsimile: 888-742-5520
Email: nrrs-inventory@reserveamerica.com

The NRRS is the only authorized reservation system for Forest Service developed recreation sites, including campgrounds, cabins, lookouts and group use areas. The Forest Service contract for the NRRS prohibits campground concession permit holders from using any other

reservation system, -establishing their own reservation system, or reserving campsites other than through the NRRS. Applicants may recommend adding sites to or deleting sites from the NRRS or changing the number of sites that may be reserved, the minimum number of days per reservation, or the location of sites that may be reserved. The permit holder also may make these recommendations during the term of the permit. The authorized officer will decide whether to accept or reject the recommendations.

Under the NRRS, the following guidelines must be followed, unless there are compelling operational reasons:

1. For each developed recreation site development scale 3-5, at least 60 percent of the units must be available for reservations. The rest of the units may be occupied on a first-come, first-served basis.
 - Reservation windows vary by type of site and are as follows:
 - Individual campsites: up to 180 days to 4 days prior to arrival date.
 - Group use areas: from 360 days to 4 days prior to arrival date.
 - Cabins: from 180 to 4 days prior to arrival date.
2. When the NRRS is utilized, the permit holder is responsible for on-site administration and will be required to:
 - Obtain daily arrival reports (DARs) from the NRRS contractor each morning by establishing at least one central facsimile location, email address, or other means of obtaining and distributing DARs.
 - Develop a system for posting reservations at the sites so other visitors know which units are reserved.
 - Post and hold reserved sites for 24 hours.
 - Ensure that the party with the reservation is the party using the site.
 - Resolve any disputes over the use of reserved sites by drop-in campers.
 - Verify that visitors hold a Golden Age or Golden Access Passport or the Interagency Senior or Interagency Access Pass a.k.a America the Beautiful-National Parks and Federal Recreational Lands Pass (ATB Pass) authorized under the Federal Recreation Enhancement Act (REA), 16 U.S.C. 16 U.S.C. 6801-6814, before giving the discount on fees for those passes (see section II.B).
 - Develop inventory data for sites being added to the NRRS, and update data for sites currently in the NRRS (including fees charged the public and temporary site closures). Submit data to the NRRS at least annually for data updates.
 - Communicate to the NRRS any emergency closures or other relevant operational changes as they occur.
 - Approve customer refunds as appropriate, and process them through the NRRS. NRRS refund policies can be found at <http://www.recreation.gov/content.do?path=/brands/rec.gov/marketing/nrrsreservationpolicies.html>

Because reservations can be made up to a year in advance for group sites and up to 180 days in advance for family sites, the NRSS is currently accepting reservations for the 2012 operating season. Fees received by the NRSS for reservations after December 31, 2011, will be held by the Forest Service and distributed following issuance of a special use permit to the successful applicant. In the final year of the permit, fees will be held in the same manner until a new permit is issued. The permit holder will honor reservations made prior to issuance of the permit at the price in effect when the reservations were made.

The Mt. Hood National Forest is interested in increasing the number of campgrounds providing reservations as a service to the public. None of the sites in this prospectus are currently in NRSS. Conversion of a site to a group campground and addition of the group cabin sites need to be added onto the reservation system. The permit holder may propose additional recreation sites to be included in the NRSS at any time by inclusion in the annual operating plan.

B. Pass Discounts

The permit holder must provide a 50 percent discount on recreation fees charged under Recreation Enhancement Act (REA) at developed recreation campgrounds covered by this prospectus to holders of Interagency Senior and Interagency Access Passes as well as holders of Golden Age and Golden Access Passports.

Specifically, holders of these passes are entitled to a 50 percent discount on the fee for a single campsite occupied by the pass holders. The pass holders are not entitled to a discount on the fee for a multiple family campsite, cabin, yurt, yome or group use area or any additional campsites occupied by those accompanying the pass holders. The 50 percent campsite discount does not include any hook-up fees such as utility and water, or extra vehicle fees. The pass discount applies to all of the campgrounds listed in Appendix 3 but not to the picnic area.

Any loss of fee revenue from honoring the passes should be factored into applicant's bid.

The permit holder will not be required to offer camping discounts to holders of the Interagency Annual or Interagency Volunteer Pass. The following is a list of sites covered by this prospectus where the 50 percent discount for passes applies:

Camp Ten Campground	Paul Dennis Campground
Horseshoe Lake Campground	Peninsula Campground
Lower Lake Campground	Triangle Lake Equestrian Campground
Olallie Meadow Campground	

The permit holder may charge day use fees at standard amenity recreation fee sites (day use areas and picnic areas) covered by this prospectus. The permit holder is not required to honor Interagency and Golden Age passes at these sites. However, the permit holder is encouraged to honor the passes listed below in lieu of a separate fee. This gesture would provide a valuable service to forest visitors, many of whom purchased federal passes with the good-faith understanding that they would be honored and who are confused about why they are not.

- Interagency Senior and Interagency Access Passes
- Golden Age and Golden Access Passports
- Interagency Annual or Interagency Volunteer Pass
- Annual or Daily Northwest Forest Pass
- Annual or Daily Administrative or Volunteer Northwest Forest Pass.

Holders may charge day use fees to those without one of the passes listed above.

When submitting their proposal as it relates to charges at day use fees at standard amenity recreation fee sites, a prospective permit holder may submit a proposal that has acceptance of the above passes, not acceptance of the above passes or a proposal that gives both alternatives for the agency to select from.

The permit holder must honor annual single free use days on National Trails Day, National Public Lands Day and any additional federally mandated agency wide free days. Again, any loss of revenue from these days should be factored into the applicants' bids.

Standard Amenity Recreation Fee Sites Under REA [Reserved] The Forest Service is proposing a revision to FSM 2344.3 to address treatment of standard amenity recreation fee sites in the concession program. The agency reserves the right to amend a special use permit issued under this prospectus to be consistent with any change in that directive.

C. Camp Stamps

Camp stamps must be honored at their face value and submitted to the authorized officer for reimbursement.

D. Site Closures

The Forest Service reserves the right to close all or a portion of any area in this prospectus for repair; construction; floods, snow, extreme fire danger, or other natural events; wildlife protection; or risks to public health and safety. The Forest Service shall not be liable to the permit holder for lost revenue, operating costs, or any other losses resulting from these closures. However, for fee calculation purposes, the permit shall be placed in non-use status as provided by FSH 2709.11, section 31.23.

E. Administrative Use

If the Forest Service requires the permit holder to provide a service for the agency, the permit holder will be compensated for that use.

F. Applicable Forest Orders

Forest Orders may be issued to address a variety of management concerns on a particular forest. Sample orders related to the offering are identified in Appendix 4. Additional applicable forest orders may be issued in the future.

G. Fee Tickets and Compilation of Use and Revenue Data

The permit holder must provide fee tickets to visitors that include at least the following information:

- * The site number and total amount paid.
- * The date of issuance and number of days paid for.
- * If a pass is used, the pass number.
- * The number of people in the group.
- * The number of vehicles and their license plate numbers.

The permit holder must provide use and revenue data to the Forest Service (see Appendix 5 of the prospectus for a sample use report). Use reports must be completed monthly and at the end of the operating season for each developed recreation site, provided that when the holder performs GT fee offset work in lieu of paying the land use fee in cash, use reports may be submitted quarterly, rather than monthly. At a minimum, monthly and year-end use reports must include:

- * The total number of units occupied based on daily counts.
- * The total number of people based on daily counts.
- * The percentage of occupancy by month.
- * Total recreation fee revenue.
- * Total fee revenue for other goods and services.
- * The total number of Camp Stamps collected.
- * The total number of passes used.

In addition, year-end use reports must include:

- * Total fee revenue collected under the NRRS (Recreation One Stop).
- * Total taxes paid.
- * Total gross revenue.
- * Total net revenue.

H. Customer Service Comment Cards

The permit holder must provide a customer service comment card to visitors at each developed recreation site (see Appendix 6 of the prospectus).

I. Performance Evaluations

At a minimum, the Forest Service will perform a year-end performance evaluation within four months of the close of the operating season (see Appendix 7 of the prospectus). An unsatisfactory rating may be cause for suspension or revocation of the special use permit. Sustained satisfactory performance is required for a permit extension.

J. Accessibility

The Architectural Barriers Act of 1968 (ABA) and Section 504 of the Rehabilitation Act of 1973 require new or altered facilities to be accessible, with few exceptions. In 2004, the Architectural and Transportation Barriers Compliance Board (Access Board) issued revised accessibility guidelines for buildings and facilities subject to the ABA and the Americans with Disabilities Act (ADA). These new guidelines are called the ADA/ABA Accessibility Guidelines. In 2006, the Forest Service issued the Forest Service Outdoor Recreation Accessibility Guidelines (FSORAG). The FSORAG addresses types of recreational facilities, including developed recreation sites, that are not covered by ADA/ABA Accessibility Guidelines. (See <http://www.fs.fed.us/recreation/programs/accessibility/>)

Any Government maintenance, reconditioning, renovation, or improvement (see section III.C) must meet ADA/ABA Accessibility Guidelines, where applicable, as well as the FSORAG.

The FSORAG and the ADA/ABA Accessibility Guidelines are posted on the Forest Service's website at <http://www.fs.fed.us/recreation/programs/accessibility>. Questions regarding ADA/ABA Accessibility Guidelines may be referred to the Access Board at www.access-board.gov. Questions regarding the FSORAG may be referred to the accessibility coordinator for the local National Forest.

The permit holder is responsible for ensuring effective communication with visitors with disabilities, including persons with impaired vision or hearing, so that all visitors may obtain information on accessible services, activities, and facilities.

K. Camping Unit Capacity

Single family campsites have a capacity of 6 people. Double campsites have a capacity of 12 people.

Number of Vehicles Per Camping Unit

A single-family camping unit may accommodate one vehicle. A "vehicle" is defined as any motorized conveyance, except that for purposes of vehicular capacity, two motorcycles are considered one vehicle. Additional vehicles may be allowed at a camping unit, if the camping unit can safely accommodate them. When extra vehicles are allowed, an extra fee of up to 50 percent of the camping unit fee for each extra vehicle may be charged. If an extra vehicle exceeds the camping unit capacity (i.e., the extra vehicle causes a safety hazard or resource damage), the customer may be required to pay for an additional camping unit or park in an overflow parking area, if available. One towed vehicle per single camping unit will be allowed

for no extra charge if it can be parked completely on the surfaced area and does not create a safety hazard. Examples of towed vehicles include a boat trailer or a car towed by a motor home.

Group Site

There is one group site at Peninsula Campground. Site capacity is 25 people.

Day Use Site

Olallie Lake Picnic Area has 5 sites.

L. Stay Limit

Campers at overnight sites will be limited to a 14 day stay limit during any consecutive 28 day period.

M. Fees Charged to the Public

The permit holder may charge the public fees only to the extent that the Forest Service can charge recreation fees under REA. All recreation fees must be specified per developed recreation site. The holder must honor the proposed pricing through the first full operating season. Thereafter, the holder may propose price adjustments with justification.

Permit holders may not charge for any of the following:

- Solely for parking, undesignated parking, or picnicking along roads or trailsides.
- General access, unless specifically authorized by REA.
- Dispersed areas with low or no investment, unless specifically authorized by REA.
- Persons who are driving through, walking through, boating through, horseback riding through, or hiking through NFS lands without using the recreational facilities and services for which a fee is charged.
- Camping at undeveloped sites that do not provide the minimum number of facilities and services prescribed by REA.
- Travel by private, noncommercial vehicle over any national parkway or any road or highway in the Federal-aid System that is commonly used by the public as a means of travel between two places, either or both of which are outside an area in which recreation fees are charged.
- Travel by private, noncommercial vehicle, boat, or aircraft over any road, highway, waterway, or airway to any land in which the person traveling has a property right, if the land is in an area in which recreation fees are charged.
- Any person who has a right of access for hunting or fishing privileges under a specific provision of law or treaty.
- Any person who is engaged in the conduct of official federal, state, tribal, or local government business.
- Special attention or extra services necessary to meet the needs of the disabled.

Permit holders may charge an extra vehicle fee within designated or overflow parking areas outside of camp units in the following situations:

- In areas in which campers that are allowed an extra vehicle but cannot fit the vehicle in their campsite parking spur.
- In areas where extended or incidental use of campground facilities by visitors places additional burden on permittee's operation such as garbage collection, toilets and fish cleaning stations, (excluding standard amenity fee sites).

N. Law Enforcement

Forest Service Manual (FSM) 2342.1, Exhibit 01, addresses the law enforcement authorities and responsibilities of concessionaires, state and local law enforcement agencies, and the Forest Service at concession campgrounds. See Appendix 8 of the prospectus.

O. Other Pertinent Information

1. Customer Service

The mission of the Forest Service is "Caring for the Land and Serving People". Permittees who operate on National Forest System lands on behalf of the Forest Service are expected to assist in achieving this mission. The customer service aspect is central to the concession operation. The permit holder will need to develop and implement methods and mechanisms for responding to customers' needs in a helpful and professional manner, giving timely and courteous information and assistance, and doing those things necessary to ensure that customers have a safe and enjoyable stay on their National Forest. The permit holder shall furnish and make Customer Service Comment Cards available to the public (see Appendix 6).

2. Resource Concerns

Resource concerns and specific mitigation measures (if necessary) will be discussed and required through an environmental analysis and in the permit if/when any specific projects affecting permitted recreation sites are identified. Resources potentially affected by these recreation sites and facilities could be sensitive, threatened or endangered fish, wildlife and botanical species and archaeological resources.

Boating on Olallie Lake is restricted to nonmotorized use.

Wildfires are not uncommon in the Olallie Scenic Area. In the past 10 years there have been two wildfires that have affected public access to the Olallie Scenic Area for a period of weeks. The forest has a significant percentage of standing dead trees that influence the fire behavior and create safety concerns in developed recreation areas. Significant hazard tree removal was done in most of the Olallie recreation sites in the past year.

3. Pre-Season Operations

Before opening a site for the season, the permit holder will be responsible for the following pre-season inspections and maintenance. All operations will be conducted according to Forest Service standards (see Appendix 20).

Hazard Tree Removal - The permit holder will be required to conduct pre-season inspection of the campgrounds to identify existing and potential hazards, including hazard trees. The permit holder will also be responsible for monitoring and identifying hazard trees during the operating season. After securing written approval from the authorized officer, the permit holder's financial responsibility for removing hazard trees and associated slash will not exceed 1% of gross revenue per year. The annual operating plan will address appropriate disposal of hazard trees and slash, in addition to any periods where use of equipment may be restricted. **The holder will not be responsible for hazard tree removal necessitated by atypical situations, such as major blow down or large insect infestation.**

4. Operations

Water Systems – While no water systems are currently at the facilities in this prospectus, if a system is installed the following language applies:

The holder is responsible for compliance with all applicable Federal, state and local drinking-water laws and regulations for the operation and maintenance of a public water system. This includes the testing and maintenance of all potable-water systems in accordance with Forest Service regulations (Appendix 11 and 21). **If current regulations change and it becomes necessary to perform more or different tests, the permit holder will be responsible for compliance.**

Recycling - Recycling of all materials is encouraged. Holder-supplied recycling receptacles will be subject to approval by the Forest Service. The holder will be responsible for emptying recycled materials from the receptacle and removing them from the campground to an approved recycling facility. Any proceeds from the sale of recycled materials may be retained by the permit holder.

General Maintenance - Light maintenance needs will be documented and initiated without Forest Service approval and performed to meet Forest Service standards. Government MRRI items (Appendix 13) will be recorded and submitted to the Forest Service for approval under the G-T Fee Offset provision. A concession employee who is capable to perform maintenance operations needs to be available and responsive to critical needs. Annual maintenance plans by site will be submitted prior to the operating season. Records of maintenance done by site will be provided by the end of the operating season.

Signs, Posters, Fee Stations and Bulletin Boards - The permit holder will keep signboards and posters up-to-date and neat, and will remove old nails, staples, unauthorized flyers, etc.

Vegetation will be trimmed around and in front of all signs. Maintenance, including painting and repair will be performed by permittee. Posted information will be professionally produced, and approved and coordinated with the Forest Service. Handwritten signs are not allowed.

Site Hazards - The permit holder shall take all measures necessary to protect health and safety of all persons affected by concession activity. The holder is solely responsible for identifying, correcting and reporting all safety hazards to the authorized officer. The holder must conduct pre-season and operating season inspections of the sites to identify existing and potential hazards, including hazard trees. The holder will close sites and notify the authorized officer of any hazards in the area that the holder is not able to remedy.

Employee Host Sites – Only permit holder “Hosts” may occupy designated Campground Host Campsites, and are addressed in the concession permit. Campsites utilized by concession personnel should present orderly camping image to the general public, without taking on the appearance of a long term residence. Personal and work vehicles must be kept on the parking spurs. Additional Vehicles and supplies may be needed to be stored off site if there is insufficient space at the employee site. Employee sites are subject to authorized officer’s approval.

5. Marketing

The holder shall accurately represent the accommodations and services provided to the public within the permit area in all advertisements, signs, brochures, websites and other materials. Permittee will ensure that literature, brochures, and other advertising of facilities and services under special use permit that holders display or distribute do not contain misleading statements or statements that discriminate on the basis of race, color, sex (in educational and training programs), national origin, age or disability. Permittee will also ensure that these materials state that the permitted facilities and services are located on National Forest System lands.

6. Butane and Propane Installations

For safety and regulatory reasons, the permit holder is not allowed to install or store bulk butane or propane.

III. Special Use Permit

In exercising the rights and privileges granted by the special use permit, the permit holder must comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

A. Permit Term

The permit term will be for up to 5 years, with an option to extend the term for up to an additional 5 years at the sole discretion of the authorized officer. The decision to extend the term will depend, in part, on sustained satisfactory performance of the permit holder. Upon expiration of the permit, continuation of the permitted activity will be at the sole discretion of the authorized officer and will be subject to a competitive offering. A new prospectus will be issued during the final year of the permit term.

If the decision to select a permit holder is appealed, a permit will not be issued until the appeal has been resolved, unless operation is needed during the appeal, in which case a permit with a term of one year or less may be issued.

B. Permit Holder Responsibilities

This section highlights the requirements of the special use permit, which is contained in Appendix 10 of the prospectus. Applicants are responsible for familiarizing themselves with all permit requirements that govern the operation covered by this prospectus.

Responsibility for Day-to-Day Activities

As a general rule, the holder will be required to conduct the day-to-day activities authorized by the permit. Some, but not all, of these activities may be conducted by someone other than the permit holder, but only with the prior written approval of the authorized officer. The permit holder will continue to be responsible for compliance with all the terms of the permit.

Permit Holder-Furnished Supplies and Equipment

The permit holder will be required to provide all vehicles, equipment, and supplies necessary to operate the authorized developed recreation sites in accordance with the special use permit.

Holder-Furnished Vehicles

The permit holder may not use all-terrain vehicles, motorcycles, or motorbikes in the campgrounds unless they are street legal. The holder may propose use of golf carts or other similar vehicles to facilitate daily maintenance of the facilities. If authorized, carts must stay on designated roads while driving between sites or loops.

Holder Maintenance, Reconditioning, or Renovation (MRR)

Maintenance, reconditioning, and renovation are defined in the permit (FS-2700-4h, clause IV.E.1(a), (c)). Holder MRR is defined as maintenance, reconditioning, or renovation that neither materially adds to the value of the property nor appreciably prolongs its life. The work serves only to keep the facility in an ordinary, efficient operating condition. From an accounting or tax perspective, it is work that may be expensed, but not capitalized. In fulfilling these responsibilities, the holder must obtain any licenses and certified inspections required by regulatory agencies and follow state and local laws, regulations, and ordinances and industry standards or codes applicable to the permitted operation (FS-2700-4h, clause IV.E.1(d)). The

permit holder, at its expense, will be required to perform holder MRR under a holder MRR plan (FS-2700-4h, clause II.D). The holder MRR plan will describe required holder MRR and its frequency. The holder MRR plan will become part of the permit holder's annual operating plan.

Optional Sales and/or Fees

Applicants should describe any goods proposed to be provided for a fee, and the cost per unit for such goods. These goods may include, but are not limited to, items such as firewood and maps. Proposal should provide for enhanced public service while minimizing competition with local vendors.

C. Granger-Thye Fee Offset Agreement

The federal government owns all the improvements at the developed recreation sites covered by this prospectus. Under Section 7 of the Granger-Thye (GT) Act and the terms of the permit, the permit fee may be offset in whole or in part by the value of Government maintenance, reconditioning, renovation, and improvement (MRRI) performed at the permit holder's expense. Government MRRI is defined as maintenance, reconditioning, renovation, or improvement that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Government maintenance, reconditioning, renovation or improvement, whether performed by the holder or the Forest Service, shall be performed at the sole discretion of the authorized officer. See Appendix 4 of the prospectus and FS-2700-4h, clause IV.E.

All Government MRRI shall be enumerated in an annual GT fee offset agreement signed by the holder and the Forest Service in advance of the operating season (see Appendix 11 of the prospectus and FS-2700-4h, Appendix B). Alternatively, a multi-year fee GT fee offset agreement can be prepared for consolidated fee payments. A list of sample Government MRRI projects is included in Appendix 12 of the prospectus.

Either the holder or the Forest Service may perform GT fee offset work. This determination will be made annually. When the holder performs GT fee offset work, if it includes construction that costs more than \$2,000, it is subject to the Davis-Bacon Act and the fee offset agreement must contain Davis-Bacon Act wage provisions. Additionally, indirect costs may be offset provided the holder submits either a currently approved indirect cost rate or accounting procedures and supporting documentation to determine an indirect cost rate (see Appendix 13 of the prospectus).

The holder's claims for GT fee offset must be documented using the FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification Form (see Appendix 14 of the prospectus). This form requires the holder to itemize allowable costs incurred for an approved GT fee offset project and to certify the accuracy and completeness of claims.

When the Forest Service performs GT fee offset work, the holder will deposit fee payments into a CWFS account. The Forest Service will perform GT fee offset work under a collection agreement and offset those costs against the permit holder's annual permit fee (see FS-2700-4h, clause IV.E.3, and Appendix 15 of the prospectus). The Forest Service's indirect costs may be offset at the agency's approved rate. The Forest Service and the holder will agree on the work to be performed in advance of each operating season.

D. Insurance

Liability Insurance

The successful applicant must have liability insurance covering losses associated with the use and occupancy authorized by the permit arising from personal injury or death and third-party property damage in the minimum amount of \$N/A for injury or death to more than one person per occurrence; and \$N/A for third-party property damage per occurrence, or in the minimum amount of **\$1,000,000.00 (one million dollars)** as a combined single limit per occurrence. Insurance policies must name the United States as an additional insured (see Appendix 10 of the prospectus and FS-2400-4h, clause III.I).

Property Insurance

Property insurance will be required for both the Olallie Meadow Cabin and the Guard Station and its storage building in the amount of **\$44,000.00**.

IV. Application

A. Instructions for Submitting Applications

Applicants must submit a written application for all developed recreation sites offered in this prospectus.

Applicants are strongly encouraged to visit the sites at least once before submitting an application (see Appendices 1 and 2, vicinity and area maps and maps of developed recreation sites).

The information in this prospectus is from generally reliable sources, but no warranty is made as to its accuracy. Each applicant is expected to make an independent assessment of the business opportunity offered in this prospectus.

All applications must be submitted to
Chris Worth, Forest Supervisor
Attention: Mary Ellen Fitzgerald, Special Uses
Mt Hood National Forest
16400 Champion Way
Sandy, OR 97055.

Applications must be received by close of business 4:30 p.m. on March 15, 2012.#

Applicants must submit __4__ copies of their application package and supporting documents.

Please ensure that all requested information is submitted. Missing or incomplete information will result in a lower rating for the corresponding evaluation criteria.

Applications must be signed. The person signing for an entity must have authority to sign for that entity. Applicants must include their address, telephone number, facsimile number, and email address.

Corporations also must include:

- Evidence of incorporation and good standing.
- If reasonably obtainable, the name and address of each shareholder owning 3 percent or more of the corporation's shares and the number and percentage of any class of voting shares that each shareholder is authorized to vote.
- The name and address of each affiliate of the corporation.
- If an affiliate is controlled by the corporation, the number of shares and the percentage of any class of voting stock of the affiliate owned, directly or indirectly, by the corporation.
- If an affiliate controls the corporation, the number of shares and the percentage of any class of voting stock of the corporation owned, directly or indirectly, by the affiliate.

Partnerships, limited liability companies (LLCs), associations, or other unincorporated entities must submit a certified copy of the partnership agreement or other documentation establishing the entity or a certificate of good standing under the laws of the state where the entity is located.

Applicants should contact Mary Ellen Fitzgerald at mfitzgerald@fs.fed.us or 503/668-1429 regarding any questions related to this prospectus.

B. General Terms, Qualifications, and Reservations

All applicants have an equal opportunity to apply. Except for members of Congress, Resident Commissioners, and current Forest Service employees, any individual or entity may apply.

The Forest Service does not guarantee a profitable operation. Rather, applicants are responsible for reviewing the prospectus and making their own determination concerning business viability.

The Forest Service will select the application that offers the best value to the Government. The Forest Service reserves the right to select the successful applicant based on a trade-off between the fee to the Government and technical merit.

The Forest Service is not obligated to accept the application with the highest return to the Government.

The Forest Service reserves the right to select the successful applicant based solely on the initial application, without oral or written discussions.

The Forest Service reserves the right to reject any or all applications and to rescind the prospectus at any time before a special use permit is issued.

Any oral statement made by a representative of the Forest Service shall not modify the requirements of this prospectus. If it is determined that an error or omission has been made or additional information is required, a written amendment will be sent to each person or entity receiving a copy of this prospectus.

If there is a conflict between the terms of the prospectus and the special use permit, the terms of the permit will control.

The Forest Service is proposing a revision to FSM 2344.3 to address how passes and passports are honored in the concession program. The agency reserves the right to amend the special use permit consistent with any change to that directive. In addition, the Forest Service reserves the right to amend the special use permit, to make it consistent with applicable laws and regulations, including REA; other Forest Service directives; or other management decisions.

The information contained in applications will be kept confidential to the extent permitted under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

C. Application Package Requirements

Applications must be in writing and must include or address the following:

- A proposed annual operating plan (including required and optional services).
- A business plan, business experience, references, and Small Business Development Center (SBDC) review fee, if applicable (see section IV.C.2).
- Financial resources.
- Fees charged to the public.
- Fee to the government.
- Initial processing fee.

1. Proposed Annual Operating Plan (Including Required and Optional Services)

Applicants must submit a proposed annual operating plan that addresses all required and optional services. Applicants must utilize the sample annual operating plan (see Appendix 9 of the prospectus) to organize their response to this section. The successful applicant's proposed operating plan will be attached to and become a part of the special use permit.

Applicants must specify whether another party will assist with any of the operational aspects of the concession, and if so, must include the other party's name, address, telephone number, email address, and relevant experience.

Below are highlights of what needs to be addressed in the proposed annual operating plan. For more detail, see the sample annual operating plan in Appendix 9 of the prospectus.

Operating Season

Applicants need to propose the period in which they will operate the sites listed in the prospectus. All sites must be open and operational seven days per week during the minimum operating season, unless a Forest Service closure order is in effect. The minimum operating season is June 15 (if snowfree) through Labor Day weekend.

Staffing

Applicants must address appropriate staffing to meet customer service and cleanliness standards. The holder will be responsible for furnishing all personnel for the developed recreation sites and for adequately training and supervising their activities under the terms of the permit. The holder must meet requirements of federal and state laws governing employment, wages, and worker safety. Applicants should address worker hours and schedules. Applicants also should address staff training for effective customer service, conflict resolution, area-specific emergency procedures, and dissemination of recreation and tourism information.

Supervision and Management

Applicants must designate an individual to serve as the agent of the holder for purposes of administration of the permit by the Forest Service. The designated agent must periodically review attendant performance on site and must be available to resolve repair needs within 24 hours of discovery or notification. The holder will be responsible for the conduct of its

employees, including preventing conduct prohibited by 36 CFR part 261, Subpart A, and ensuring that employees are not under the influence of intoxicating beverages or narcotic drugs while on duty or representing the holder. Applicants also must include a policy for removing employees who engage in inappropriate conduct. Equal Opportunity program delivery requires compliance with the following Civil Rights Acts: Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973; and the Age Discrimination Act of 1975, as amended

Uniforms and Vehicle Identification

Applicants should describe employee uniforms, insignia, name tags, and the applicants' policy for ensuring a clean, professional appearance by staff while on duty. The holder's employees may not wear any component of the Forest Service uniform. Additionally, applicants should address their policy for vehicle maintenance and appearance; types of vehicles to be used for operations (vehicles may not be driven off designated roads or trails); and signage to identify the concessionaire to the public.

2. Business Plan, Business Experience, and References

Applicants must submit a business plan utilizing the format in Appendix 17 (Sample business plan) of the prospectus. This part of the application package must be a separate document. The business plan provides a thorough analysis of an applicant's vision of the proposed business. A good business plan is essential for running a successful business, maintaining and improving the business, and raising needed capital.

Applicants must furnish a detailed description of their experience relating to operating and maintaining developed recreation sites (e.g., campgrounds, beaches, and marinas). The description must include experience in private business, public service, or any nonprofit or other related enterprises. Applicants are encouraged to contact their local SBDC if they need assistance in completing their business plans. Alternatively, applicants who have already received a review of their business plan from an SBDC or the Forest Service for the current fiscal year may submit a copy of the review report.

Performance Evaluations

Applicants who have experience in managing Forest Service or other Government concessions must provide copies of the most recent annual written performance evaluations for each Forest Service or other concession the applicants have operated or are operating.

References

Applicants also must furnish three business references with names, addresses, telephone numbers, and email addresses in support of relevant business experience. These references will be contacted for information regarding applicants' past performance. In addition, the Forest Service may consider past performance information from other sources.

3. Financial Resources

Applicants must submit a complete set of all financial statements for the last three fiscal years that have been audited, reviewed, or compiled by a certified public accountant (CPA). For any financial statements that were only compiled by a CPA, applicants must complete FS-6500-24, Financial Statement (see Appendix 18) for certification of the accuracy of the financial statements.

Applicants must complete FS-6500-24 for any of the last three fiscal years they were in business for which a financial statement was not audited, reviewed, or compiled by a CPA. An applicant who has had a financial ability determination (FAD) conducted within the past year should include a statement to that effect along with the forest name, contact name and telephone number. Additionally, applicants must identify any pending applications or new permits obtained from the Forest Service since the FAD was completed.

In completing FS-6500-24, LLCs must list the name of the company in block 1, the names and interests of the principals in block 5, and their members should be listed in block 6. In addition, LLCs must complete the certification in Part (D)(1) of FS-6500-24.

An applicant who has not been in business for the last three fiscal years, and therefore cannot submit audited, reviewed, or compiled financial statements or an FS-6500-24, must submit three fiscal years of projected financial statements compiled by a CPA using the forecast method.

Any financial information submitted by applicants must conform to generally accepted accounting principles (GAAP) or other comprehensive bases of accounting. Any previously prepared financial documents that are submitted must be unredacted and in their original form, including footnotes.

Applicants must show at least 25 percent of the first year's operating costs in liquid assets. Liquid assets are assets that are readily converted into cash.

Applicants also must complete blocks 1 through 5 of form FS-6500-25, Request for Verification (see Appendix 18 of the prospectus) and submit the signed and dated form with the application. The Forest Service will forward the FS-6500-25 for the most qualified applicant to the Albuquerque Service Center for processing. The auditor assigned to conduct the FAD will send a copy to each financial institution with which the applicant does business. The financial institutions must complete blocks 6 through 15 of the form and mail the completed form to:

USDA Forest Service, Albuquerque Service Center
Attention: Auditor, ASC-B&F
101 B Sun Avenue, NE
Albuquerque, NM, 87109.

4. Fees Charged to the Public

Applicants must provide a list of all fees they propose to charge to the public for the first three years of operation, including fees for required and optional services (see Appendix 9, Sample

Annual Operating Plan, for a list of required and optional services). Discuss any variable pricing, discounts, and passes. All proposed fees to be charged to the public also must be included in the business plan as an income item.

The Forest Service reserves the right to regulate the rates charged to the public.

5. Fee to the Government

The Government is obligated to obtain fair market value for the use of its land and improvements. The minimum fee is \$1135.64 per year. The minimum fee is the concession's average gross revenue for the past three years multiplied by the current 30-year Treasury bond rate. The minimum fee will be adjusted at the end of the first five years of the permit term if the permit is extended for five years.

Minimum Fee Calculation

2003	\$35,927.00	
2004	\$38,095.00	
2006	\$34,479.00	
	\$108,501.00	divided by 3
3 yr average		\$36,167.00
30yr treasury bond rate	3.14%	
	\$36,167.00	
x	0.0314	
Minimum Fee	\$1,135.64	

Applicants may propose a fee below the minimum, provided they can document why this amount represents fair market value. However, the Forest Service may reject the proposed fee if the agency determines that it does not reflect fair market value.

Applicants must propose the fee to the Government as a percentage of the concession's adjusted gross revenue. One percentage may be proposed for the entire permit term, or the percentage may vary each year. However, if a consolidated fee payment will be proposed, one percentage rate must be proposed for the entire period of consolidated payments.

The proposed fee to the Government also must be included in the business plan as an expense item in the cash flow projections.

The fee to the Government may be offset in whole or in part by the value of Government MRRI, performed at the permit holder's expense in accordance with a GT fee offset agreement (see section III of the prospectus).

6. Other Evaluation Criteria

None.

7. Application Fee

Cost Recovery

Applications submitted in response to this prospectus are subject to cost recovery pursuant to 36 CFR 251.58(c)(1)(ii) and (c)(3)(iii). Applicants must submit a processing fee of **\$115.00** to cover the cost of the prospectus and review of the application. Payments due the United States for this application must be paid in the form of a bank draft, money order, or cashier's check payable to the USDA-Forest Service. Payments will be credited on the date received by the designated Forest Service collection officer or deposit location. Additionally, the selected applicant will be responsible for the costs of preparing and issuing the permit and conducting a FAD, unless the Forest Service has conducted a FAD for the applicant within the past year. If a FAD has been completed for the applicant within the last 12 months, the applicant will be responsible for the cost of adjusting it to reflect any change this selection will have on the applicant's financial ability.

D. Evaluation of Applications

A Forest Service evaluation panel will evaluate each application utilizing the **non-fixed weight** method.

The following evaluation criteria are listed in descending order of importance:

- Proposed annual operating plan (especially hazard abatement and including required and optional services, and customer service).
- Business plan, business experience, and references.
- Financial resources
- Fees charged to the public.
- Fee to Government.

The Forest Service will consider only the applicant's written application package and any past performance information obtained by the Forest Service. During the evaluation process, the evaluation panel may contact any references, including all federal, state, and local entities that have had a business relationship with the applicant. The evaluation panel also may consider past performance information from other sources.

The evaluation panel will make a recommendation to the Authorized Officer as to which applicant offers the best value to the Government. The Authorized Officer will make the selection decision. All applicants will be notified of the successful applicant via certified mail. The Forest Service will conduct a FAD on the selected applicant as a prerequisite to issuing a special use permit, unless the agency has a current fiscal year FAD conducted by the Albuquerque Service Center or SBDC for another Forest Service unit.

The Forest Service reserves the right to reject any and all applications.

The Forest Service reserves the right to rescind the prospectus at any time before a special use permit is issued. If the Forest Service rescinds the prospectus, application fees will be returned.

V. Post-Selection Requirements

Once an applicant has been selected, the following information must be submitted and approved by the Forest Service prior to issuance of a special use permit:

- A final annual operating plan containing all the items included in the annual operating plan submitted in response to the prospectus.
- An annual GT fee offset agreement.
- Documentation of required liability insurance and, if applicable, property insurance.
- Documentation of bonding, if applicable.
- Required deposits and advance payments (see Appendix 10 of the prospectus and FS-2700-4h, clause IV.C.1).
- Documentation that utility services have been obtained in the name of the selected applicant.
- A state business license and any other required federal, state, or local certifications or licenses.

The successful applicant will be required to submit all these items within 30 days of the date of the selection letter. If these requirements are not met within the 30-day period, a special use permit will not be issued. The applicant who receives the next-highest rating may then be selected for the special use permit, subject to the same requirements.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

